FISCAL NOTE

Bill #:	HB0599	**Title:**	DNRC authority to control noxious weeds on state lands
Primary Sponsor:	Small-Eastman, V	**Status:**	As Introduced

Sponsor signature Date David Ewer, Budget Director Date

Fiscal Summary

	FY 2006 Difference	FY 2007 Difference
Expenditures:		
General Fund	($2,375)	($2,375)
State Special Revenue	$7,375	$7,375
Revenue:		
State Special Revenue	$7,375	$7,375
Common School Permanent Fund	$125	$125
Net Impact on General Fund Balance:	$2,375	$2,375

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☐ Technical Concerns
- ☒ Significant Long-Term Impacts
- ☒ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC)

1. It is estimated that the Trust Land Management Division of the Department of Natural Resources and Conservation (DNRC) will conduct five weed enforcement actions each year of the biennium at an average cost of $1,000 per action. This would equate to a cost of $5,000 per year. DNRC would pay administrative costs for weed spraying contracted services from the state special revenue fund for Resource Development. Reimbursement received from the lessees would be deposited in the Resource Development fund to offset the cost of the weed spraying.
2. DNRC would invoice the lessees for the costs of the weed spraying plus an additional 50 percent of the cost as a penalty. The recovered costs of the weed spraying contracts would be deposited in the Resource Development fund. The recovered penalty costs (approximately $2,500 per year) would be considered 100 percent distributable income to the appropriate trust beneficiary, except in the case of the Common School, which would receive 95 percent of the income as distributable and 5 percent invested in the Permanent Fund.

3. It is not known which beneficiary would own the land with the weed eradication issues. Therefore, for the purposes of this fiscal note, it is assumed that the land is common school, which is 89 percent of all school trust land. Of the common school revenues, 95 percent would be considered distributable and deposited in the Guarantee Account and 5 percent would be deposited in the common school permanent fund. For FY 2006 and FY 2007, the amount to be deposited in the Guarantee Account would be $2,375 each year and $125 in the permanent fund.
4. This legislation supports the recommendations in the February 2003 Legislative Audit of Noxious Weed Management on state land.
5. The provisions of HB 599 do not change the state's obligation to fund school BASE aid. The Guarantee Account is the first funding of school BASE aid; state general fund is offset with any gain in revenue to the Guarantee Account. The change in funding of school BASE aid would result in an increase in Guarantee Account and a decrease in General Fund expenditures.

FISCAL IMPACT:

	FY 2006 Difference	FY 2007 Difference
Expenditures:		
Operating Expenses	$5,000	$5,000
Funding of Expenditures:		
General Fund (01)	($2,375)	($2,375)
State Special Revenue (02) Guarantee Acct	2,375	2,375
State Special Revenue (02 Resource Development Acct	5,000	5,000
TOTAL	$7,375	$7,375
Revenues:		
State Special Revenue (02) Resource Development Acct	$5,000	$5,000
State Special Revenue (02) Guarantee Account	2,375	2,375
Trust Fund (09) Common School Permanent Fund	125	125
TOTAL	$7,500	$7,500
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):		
General Fund (01)	$2,375	$2,375
State Special Revenue (02) Resource Development Acct	$0	$0
State Special Revenue (02) Guarantee Account	$0	$0
Trust Fund (09) Common School Permanent Fund	$125	$125

LONG-RANGE IMPACTS:

The ability of the DNRC to contract for weed spraying on trust lands in the case where the lessee has failed to eradicate the weed problem and to obtain reimbursement for the expenditures is a direct benefit to the protection of the resource and the long-term revenue generating capacity of the land.